

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF INDIANA

July 1, 2004 to June 30, 2006



FILED
12/28/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Secretary	Donald R. Lundberg	07-01-04 to 06-30-07
Chairperson of the Commission	Janet L. Biddle Diane L. Bender Robert L. Lewis J. Mark Robinson	07-01-03 to 07-08-04 07-09-04 to 07-08-05 07-09-05 to 07-08-06 07-09-06 to 06-30-07
Chief Justice of the Supreme Court	Hon. Randall T. Shepard	03-05-02 to 03-04-07



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE DISCIPLINARY COMMISSION OF THE SUPREME COURT OF INDIANA

We have examined the financial information presented herein of the Disciplinary Commission of the Supreme Court of Indiana (Commission), for the period of July 1, 2004 to June 30, 2006. The Commission's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Commission for the years ended June 30, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 19, 2006

DISCIPLINARY COMMISSION OF THE SUPREME COURT OF INDIANA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
As Of And For The Years Ended June 30, 2005 And 2006

	<u>2005</u>	<u>2006</u>
Cash and investments, July 1	\$ 854,537	\$ 1,010,628
Receipts:		
Registration Fees	1,607,090	1,630,166
Delinquent Fees	136,705	159,807
Reinstatement Fees	2,000	4,000
Filing Fees	2,600	7,100
Hearing Costs Collected	16,073	17,103
Interest Income	19,454	47,354
Miscellaneous	<u>1,325</u>	<u>4,678</u>
Total receipts	<u>1,785,247</u>	<u>1,870,208</u>
Disbursements:		
Personnel Services	1,162,068	1,272,003
Travel	39,374	43,196
Investigations and Hearings	36,608	36,911
Dues, Subscriptions and Fees	9,844	10,638
Postage and Supplies	19,228	41,663
Utilities, Rent and Parking	136,156	142,520
Insurance and Maintenance	8,432	13,154
Equipment	18,347	3,211
Judges and Lawyers Assistance	194,088	198,660
Miscellaneous	<u>5,011</u>	<u>4,792</u>
Total disbursements	<u>1,629,156</u>	<u>1,766,748</u>
Excess of receipts over disbursements	<u>156,091</u>	<u>103,460</u>
Cash and investments, June 30	<u>\$ 1,010,628</u>	<u>\$ 1,114,088</u>

The accompanying notes are an integral part of the schedules.

DISCIPLINARY COMMISSION OF THE SUPREME COURT OF INDIANA
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

As an agency of the judicial branch of government, the Disciplinary Commission of the Supreme Court of Indiana is responsible for the investigation and prosecution of claims of misconduct against lawyers licensed to practice law in Indiana and for protecting lawyers against unwarranted claims of misconduct.

Note 2. Fund Accounting

The Commission uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

Indiana Code 5-13-9 authorizes the Commission to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

Note 4. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Commission contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. Indiana Code 5-10.2 and 5-10.3 govern, through the PERF Board, most requirements of the system, and give the Commission authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

DISCIPLINARY COMMISSION OF THE SUPREME COURT OF INDIANA
EXIT CONFERENCE

The contents of this report were discussed on October 19, 2006, with Donald R. Lundberg, Executive Secretary; and Sharon Scholl, Accountant. Our examination disclosed no material items that warrant comment at this time.